MOTION FILED
APR 29 2010

No. 09-1175

IN THE
Supreme Court of the United States

FERRING B.V., FERRING PHARMACEUTICALS, INC., and AVENTIS PHARMACEUTICALS, INC.,

Petitioners,

v.

MEIJER, INC., MEIJER DISTRIBUTION, INC., ROCHESTER DRUG CO-OPERATIVE, INC., and LOUISIANA WHOLESALE DRUG CO., INC.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

MOTION FOR LEAVE TO FILE *AMICUS CURIAE* BRIEF AND BRIEF OF INTELLECTUAL PROPERTY OWNERS ASSOCIATION AS *AMICUS CURIAE* IN SUPPORT OF PETITIONERS

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MOTION FOR LEAVE TO FILE *AMICUS CURIAE* BRIEF

Intellectual Property Owners Association ("IPO") moves for leave to file a brief as *amicus curiae* supporting petitioners Ferring B.V. et al.

Amicus curiae IPO is a trade association representing companies and individuals in all industries and fields of technology who own or are interested in U.S. intellectual property rights. IPO's membership includes more than 200 companies and a total of nearly 11,000 individuals who are involved in the association either through their companies or as inventor, author, executive, law firm, or attorney members. Founded in 1972, IPO represents the interests of all owners of intellectual property. IPO regularly represents the interests of its members before Congress and the PTO and has filed *amicus curiae* briefs in this Court and other courts on significant issues of intellectual property law. The members of IPO's Board of Directors must approve the filing of a brief by a three-fourths majority.

IPO believes that it can provide the court with perspectives that may not be provided by the parties or other *amicii*. IPO's Board of Directors includes chief patent counsel for companies in all major industries. The proposed IPO brief has been approved by chief patent counsel from diverse industries including computers, software, chemicals and pharmaceuticals.

The proposed IPO brief addresses the question of whether the Second Circuit's new jurisdictional standard is inconsistent with this Court's decision in *Christianson v. Colt Industries Operating Corp.*, 486 U.S. 800 (1988), and in conflict with decisions of the Federal Circuit and Seventh Circuit. In finding that it, not the Federal Circuit, had jurisdiction over the patent-related Sherman Act claims asserted by Plaintiffs, including *Walker Process* claims, simply because a non-patent-related Sherman Act claim also was included in the same count, the Second Circuit disregarded Congress's intent in creating the Federal Circuit as well as this Court's decision in *Christianson* which supported the Federal Circuit's jurisdiction over patent issues.

IPO believes that its brief could be helpful to the Court. IPO therefore requests that the Court grant this motion for leave to file in support of petitioners Ferring B.V., et al.

Consent to file this brief was requested of both parties in writing on April 7, 2010. Ferring B.V., et al. has granted consent. However Meijer, Inc. et al. has not.

Respectfully submitted,

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QUESTION PRESENTED

Amicus curiae Intellectual Property Owners Association addresses the following issue only:

Whether the Second Circuit's new jurisdictional standard is inconsistent with this Court's decision in *Christianson v. Colt Industries Operating Corp.*, 486 U.S. 800 (1988), which held that the Federal Circuit has exclusive jurisdiction in any patent-based case in which patent issues must be resolved in order for plaintiffs to achieve the overall success of their claim and obtain all the damages (or other relief) they seek, and in conflict with the decisions of the Federal Circuit and Seventh Circuit, which have followed this Court's *Christianson* standard.

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INTEREST OF AMICUS CURIAE

Amicus curiae Intellectual Property Owners Association ("IPO")[1] is a trade association representing companies and individuals in all industries and fields of technology who own or are interested in U.S. intellectual property rights. IPO's membership includes more than 200 companies and more than 11,000 individuals who are involved in the association either through their companies or as inventor, author, executive, law firm, or attorney members. Founded in 1972, IPO represents the interests of all owners of intellectual property. IPO members receive about thirty percent of the patents issued by the U.S. Patent and Trademark Office ("PTO") to U.S. nationals. IPO regularly represents the interests of its members before Congress and the PTO and has filed *amicus curiae* briefs in this Court and other courts on significant issues of intellectual property law. The members of IPO's Board of Directors, which approved the filing of this brief, are listed in the Appendix.[2]

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1. *Amicus curiae* gave appropriate notice to both parties and requested consent to file this brief. Consent was granted from the Petitioners, but not from the Respondents. A motion for leave to file a brief *amicus curiae* is attached. No counsel for a party authored this brief in whole or in part, and no such counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than the *amicus curiae*, or its counsel made a monetary contribution to its preparation or submission.

2. IPO procedures require approval of positions in briefs by a three-fourth majority of directors present and voting.

SUMMARY OF THE REASONS FOR GRANTING THE PETITION

Congress conferred "exclusive jurisdiction" in the U.S. Court of Appeals for the Federal Circuit over all appeals based "in whole or in part" on patent claims. 28 U.S.C. § 1295(a)(1) (2006). The federal courts consistently have interpreted this mandate to vest the Federal Circuit with *exclusive* appellate jurisdiction over patent-based antitrust claims, including claims based on the Court's *Walker Process* decision.[3]

This consistent line of authority fulfills both the language of the Federal Circuit's enabling act[4] and the intent of Congress in creating the Federal Circuit. Congress created the Federal Circuit as an intermediate appellate court to bring uniformity to judicial interpretation of the Patent Act. While not every matter involving a patent must be heard by the Federal Circuit, Congress struck the balance heavily in favor of cases reaching the Federal Circuit when they involve patent issues.

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3. A *Walker Process* claim is a type of Sherman Act Section 2 claim based, *inter alia*, on proof that a patentee "obtained [a] patent by knowingly and willfully misrepresenting facts to the" PTO thus forfeiting the right to exclude conveyed by the patent grant. *Walker Process Equip., Inc. v. Food Mach. & Chem. Corp.*, 382 U.S. 172, 175–77 (1965).

4. The Federal Circuit was created by the Federal Courts Improvement Act of 1982. Pub. L. No. 97-164, 96 Stat. 25 (1982).

Since its creation in 1982, the Federal Circuit has served this purpose by resolving or aiding resolution of a number of patent issues that had been interpreted differently among and between the regional circuits and the PTO, including the scope of attorney-client privilege over patent prosecution matters and how patent claims should be construed. This increase in patent law uniformity has allowed prospective intellectual property owners to develop and protect useful inventions based on a relatively settled and consistent set of legal standards. Patent holders' prior uncertainty due to the fact that their patents could be judged by any one of a differing set of regional circuit standards largely has been eliminated.

The decision of the Second Circuit below is contrary to Congress's grant of jurisdiction to the Federal Circuit and conflicts with nearly three decades of authority interpreting that grant. The Second Circuit found that it, not the Federal Circuit, had jurisdiction over the patent-related Sherman Act claims asserted by Plaintiffs, including a *Walker Process* claim, simply because a non-patent-related Sherman Act claim also was included in the same count. Pet. App. 15a–16a.[5] The Second Circuit reached this conclusion as a result of misapprehending Plaintiffs' patent-related *claims* to relief to be "theories" of an omnibus Sherman Act claim. In so doing, the Second Circuit misconstrued this Court's decision in *Christianson v. Colt Industries Operating Corp.*, 486 U.S. 800, 811 (1988). Pet. App. 15a–16a.

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5. The Second Circuit's decision below is reprinted at Pet. App. 1a–34a.

The Second Circuit's decision in no way follows from this Court's decision in *Christianson*. Indeed, the Second Circuit turned on its head this Court's ruling that the Federal Circuit should have jurisdiction if any element of one of a plaintiff's claims "necessarily depends on resolution of a substantial question of federal patent law . . . ." *Christianson*, 486 U.S. at 808–09. And, in so doing, the Second Circuit wrested from Congress and the courts the question of which appeals court will hear patent-related antitrust claims and put it entirely in the hands of litigants. Under the Second Circuit's rule, if the antitrust plaintiff wishes the Federal Circuit to hear its appeal, it will separate *Walker Process* and other patent-related claims from its other counts. If the antitrust plaintiff wishes a regional circuit court to hear its appeal, it will bundle its *Walker Process* claim in a single count with non-patent-related antitrust claims and characterize them as different "theories" to the same relief. This result will undermine Congress's intention of creating national uniformity in the patent laws and the handling of patent-related antitrust claims and other claims that are based in part on the patent laws.

The Second Circuit's decision not only is contrary to the intent of Congress as expressed in the Federal Circuit's enabling act and this Court's decision in *Christianson*, it also creates a conflict among the circuit courts. The Federal Circuit has held that it has exclusive appellate jurisdiction over a plaintiff's *Walker Process* claim "because the determination of fraud before the PTO necessarily involves a substantial question of patent law." *Ciprofloxacin Hydrochloride Antitrust Litig.*, 544 F.3d 1323, 1329, 1330 n.8 (Fed. Cir. 2008).

Similarly, where resolution of a plaintiff's breach of contract claim required the court to make a patent infringement determination, the Seventh Circuit found that the Federal Circuit had exclusive appellate jurisdiction. *U.S. Valves, Inc. v. Dray*, 190 F.3d 811, 813–15 (7th Cir. 1999).

In all, the decision below is at odds with statutory authority, the precedent of this Court, and in conflict with the rulings other circuit courts. *Amicus curiae* IPO, therefore, respectfully requests that the Court grant *certiorari*.

REASONS FOR GRANTING THE PETITION

I. THE SECOND CIRCUIT'S DECISION IS INCONSISTENT WITH *CHRISTIANSON* AND IN CONFLICT WITH DECISIONS OF THE FEDERAL CIRCUIT AND SEVENTH CIRCUIT.

A. Under *Christianson*, Appellate Jurisdiction Was Fixed In The Federal Circuit Based On Plaintiffs' Complaint.

A proper application of *Christianson* would fix exclusive appellate jurisdiction in the Federal Circuit because Plaintiffs' complaint included no less than three patent-related antitrust claims.

In *Christianson*, this Court explained the two-part test that applies to determining the Federal Circuit's appellate jurisdiction. First, the court applies the "well-pleaded complaint" rule to determine which of the plaintiff's claims possibly can confer "arising under"

patent jurisdiction. 486 U.S. at 807–08.[6] Second, the court analyzes the well-pleaded claims to see if any fall in two categories belonging exclusively to the Federal Circuit. *Id.* at 808–09. Category I claims encompass those in which federal patent law creates the cause of action (*e.g.*, patent infringement claims). *Id.* Category II claims encompass those in which "plaintiff's right to relief necessarily depends on resolution of a substantial question of federal patent law, in that patent law is a necessary element of one of the well-pleaded claims." *Id.*

Significantly, only one element of a well-pleaded claim needs to "depend on resolution of a substantial question of patent law" for the entire well-pleaded claim to arise under the patent laws. *Id.*; *see also Franchise Tax*, 463 U.S. at 8 n.8 (although enabling statutes are often significantly narrower, federal question jurisdiction can extend to any case where a latent federal "ingredient" might be dispositive of the outcome of the case).

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6. [W]hether a case is one arising under [federal law], in the sense of the jurisdictional statute, . . . must be determined from what necessarily appears in the plaintiff's statement of his own claim in the bill or declaration, unaided by anything alleged in anticipation of avoidance of defenses which it is thought the defendant may interpose.

Franchise Tax Bd. of Cal. v. Constr. Laborers Vacation Trust, 463 U.S. 1, 10 (1983); *see also Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc.*, 535 U.S. 826, 830–32 (2002) (determining the same in the context of patent law cases).

1. Plaintiffs' Well-Pleaded Complaint Includes At Least Four Different Claims; Three Of Which "Depend On Resolution Of A Substantial Question Of Patent Law."

(a) The Distinction Between The Citizen's Petition And Patent-Related Claims Is Demonstrated By The Relief Associated With Each.

Plaintiffs' single-count class action complaint alleges at least four distinct claims to relief, including that Defendants:

(1) violated Section 2 of the Sherman Act by procuring U.S. Patent No. 5,047,398 (the " '398 patent"), relating to a pharmaceutical product called desmopressin acetate, by fraud under *Walker Process* by knowingly and willingly misrepresenting facts to the PTO, Pet. App. 77a–84a (¶¶ 50–74);

(2) violated Section 2 by improperly listing the '398 patent in the U.S. Food and Drug Administration ("FDA") publication known as the Orange Book, Pet. App. 84a–87a (¶¶ 75–85);

(3) violated Section 2 by filing and prosecuting a baseless sham patent infringement litigation against generic drug manufacturers to delay FDA approval of competing generic tablets from 2002 to February 2005, Pet. App. 87a–91a (¶¶ 86–98); and,

(4) violated Section 2 by filing an unfounded citizen's petition with FDA in February 2004 to delay further final FDA approval of generic competition, Pet. App. 91a–100a (¶¶ 99–125).

Plaintiffs listed each one of these instances of conduct under the heading "*violations*," separately referred to each instance of conduct using subparagraphs a–d in paragraph 144 of their complaint, and alleged that they were injured by "Defendants' antitrust *violations*." Pet. App. 104a–07a (¶¶ 144, 147) (alleging four Section 2 violations based on the foregoing conduct) (emphasis added).

Further, in their prayer for relief, Plaintiffs requested the court find that "Defendants' *actions*" violated Section 2 and award them damages for the overcharges they sustained. Pet. App. 107a, 108a (prayer (ii) & (iii)) (emphasis added). Plaintiffs characterized their injury as paying more for desmopressin acetate tablets than they would have absent Defendants' antitrust "*violations*." Pet. App. 107a (¶ 147) (emphasis added). Plaintiffs' injury allegedly began in February 2001—three years before Defendants submitted the citizen's petition to FDA—and continued until at least July 2005 when the first generic competitor entered the desmopressin acetate tablet market. Pet. App. 103a, 63a, 100a, 102a (¶¶ 134, 15, 122, 131–133).

Under the Court's decision in *Christianson*, each distinct instance of wrongful conduct alleged in Plaintiffs' complaint below constitutes an independent claim to relief because, if proved, each would entitle Plaintiffs to different relief. As this Court explained: if a plaintiff only may

recover the "relief it seeks" for reasons that "depen[d] on resolution of a substantial question of federal patent law," the claim arises under the patent laws. *Christianson*, 486 U.S. at 809–10; *see also City of Chicago v. Int'l Coll. of Surgeons*, 522 U.S. 156, 164 (1997) (a case arises under federal law for purposes of federal-question jurisdiction if the plaintiff's "right to relief necessarily depends on resolution of a substantial question of federal law"). Depending on which well-pleaded claims Plaintiffs prevail, they will obtain different relief. For example, if Plaintiffs' patent-related antitrust claims fail but their citizen's petition claim succeeds, Plaintiffs' relief will be limited to damages for the injury period beginning in 2004 when Defendants filed the sham citizen's petition and will not reach back to 2001 when the class period begins. Pet. App. 63a, 93a–94a, 100a, 103a (¶¶ 15, 105, 121–22, 134). If, however, Plaintiffs succeed on their *Walker Process* claim, they would be entitled to damages for the injury period starting in 2001 at the beginning of the class period. Pet. App. 63a, 100a, 103a (¶¶ 15, 121–22, 134).[7]

Each of the *Walker Process*, Orange Book, and sham litigation claims in the present case necessarily "depend[s] on resolution of a substantial question of patent law."[8]

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7. These potential results are each based on the *actual claims* in Plaintiffs' *well-pleaded complaint*, not on an unpleaded claim that could have been adjudicated at trial. *Cf. Holmes*, 535 U.S. at 832 n.3 (explaining that "the Federal Circuit's jurisdiction, like that of the district court, 'is determined by reference to the well-pleaded complaint, not the well-tried case.' " (*quoting Christianson*, 486 U.S. at 814)).

8. Of course, Plaintiffs as "the master of the complaint" could have chosen to "esche[w] claims based on federal [patent] law . . . , to have the cause heard in" the regional circuit on appeal. *See Holmes*, 535 U.S. at 831 (quotations and citations omitted).

This is not disputed. Pet. App. 10a–11a (Second Circuit decision below concluding that all three of these claims "turn on substantial questions of patent law"). Accordingly, any one of these claims alone should have been sufficient to vest jurisdiction in the Federal Circuit. *See Christianson*, 486 U.S. at 807–09. The Second Circuit, however, improperly characterized these claims to relief as "theories" under a Section 2 Sherman Act claim and therefore wrongly concluded that it had appellate jurisdiction. Pet. App. 10a–11a, 15a–16a.

Indeed, the Federal Circuit, applying *Christianson*, recently validated this approach in a decision finding regional circuit jurisdiction where plaintiff could obtain all of the relief it sought under six state-law claims without the resolution of any patent issues. *ClearPlay, Inc. v. Nissim*, No. 09-1471, slip op. at 10–11 (Fed. Cir. Apr. 21, 2010). *ClearPlay* involved breach of contract, tortious interference, and unfair competition claims arising, *inter alia*, out of a failed license agreement that had settled earlier patent infringement litigation. *Id.* at 7–8. Unlike *U.S. Valves*, a breach of contract case that required a determination of whether certain products were within the scope of a patent, *U.S. Valves*, 190 F.3d at 813–15, the breach of contract claims in *ClearPlay* included claims for breach of provisions that did not required any patent-based determination, *ClearPlay*, No. 09-1471, slip op. at 8–10. Plaintiff ClearPlay's other state law claims also did not require resolution of any patent issue. *Id.* Accordingly, the Federal Circuit—looking to each claim to determine if it required resolution of a patent issue—correctly found it had no jurisdiction over the appeal. *Id.* at 10–11. This is precisely the analytical approach that the Second Circuit should have followed below.

(b) The Alleged Sherman Act Violations Stand As Independent Claims, Not "Theories."

Plaintiffs' *Walker Process*, Orange Book, sham litigation, and sham citizen's petition claims should not be aggregated to determine whether there is a single, composite violation of Section 2 of the Sherman Act. Rather, each one of the four instances of wrongful conduct alleged in Plaintiffs' complaint establishes a separate violation of Section 2, and thus a separate claim to relief. *See, e.g., Nobelpharma AB v. Implant Innovations, Inc.*, 141 F.3d 1059, 1069–70 (Fed. Cir. 1998) (*Walker Process* claim elements); *In re Buspirone Patent & Antitrust Litig.*, 185 F. Supp. 2d 363, 370–73 (S.D.N.Y. 2002) (Orange Book claim elements); *Professional Real Estate Investors, Inc. v. Columbia Pictures Indus., Inc.*, 508 U.S. 49, 60–61 (1993) ("*PRE*") (sham litigation or *PRE* claim elements); *Primetime 24 Joint Venture v. Nat'l Broadcasting Co., Inc.*, 219 F.3d 92, 100–01 (2d Cir. 2000) (sham citizen's petition claim elements).

Plaintiffs' citizen's petition claim is logically and factually distinct from their patent-based Section 2 claims. The citizen's petition claim is founded on Defendants' alleged attempt to persuade the FDA to withhold regulatory approval for generic competition through a sham regulatory petition. Pet. App. 92a–100a (¶¶ 99–125). The citizen's petition urged the FDA to require more testing before determining that the generic products were bioequivalent to Defendants' reference listed drug product. Pet. App. 94a (¶ 106). Defendants submitted the petition in 2004, well after

the '398 patent had been obtained, listed in the Orange Book, and asserted against Defendants' generic competitors. Pet. App. 93a–94a (¶ 105). Had no patent on desmopressin acetate ever been granted, Defendants still could have attempted to persuade the FDA to withhold approval of the generic products on the basis of inadequate bioequivalence testing. In contrast, Plaintiffs' other three claims all are based on allegations that Defendants took unlawful actions with respect to the '398 patent—fraudulently obtaining it at the PTO and then wielding the patent monopoly against generic competitors. *See* Pet. App. 77a–91a (¶¶ 50–98). These are separate claims, based on separate acts, taken at separate times.

(c) The Motion To Dismiss Standard Exemplifies Why Plaintiffs Have Four Separate Claims.

Federal Rule of Civil Procedure 12(b)(6) provides another lens by which the Court can determine that Plaintiffs' four claims are discrete. Rule 12(b) provides a mechanism for asserting defenses by motion against "a claim for relief," allowing dismissal where the allegations "fail to state a claim upon which relief can be granted." Fed. R. Civ. P. 12(b) & 12(b)(6).

Were patent-related antitrust claims such as *Walker Process* and sham litigation merely "theories" underlying an omnibus Section 2 claim for relief, each individually would not be the proper subject of a Rule 12(b)(6) motion. Yet, federal district courts consistently treat *Walker Process* and sham litigation claims separately for Rule 12(b)(6) purposes, often granting

dismissal as to one and denying it as to the other. *See e.g., Novo Nordisk of N. Am., Inc. v. Genentech, Inc.*, 885 F. Supp. 522, 527 (S.D.N.Y. 1995) (granting motion to dismiss plaintiff's sham litigation claim but denying motion as to plaintiff's *Walker Process* claim); *see also Seiko Epson Corp. v. Glory So. Software Mfg., Inc.*, No. 06-477, 2010 WL 256505, at *3–5 (D. Or. Jan. 19, 2010) (dismissing sham litigation counterclaim but not *Walker Process* counterclaim); *Amgen, Inc. v. F. Hoffmann-La Roche Ltd.*, 480 F. Supp. 2d 462, 465, 471 (D. Mass. 2007) (dismissing sham litigation counterclaim but not *Walker Process*, monopolization, and attempted monopolization counterclaims, among others). *Walker Process* and sham litigation claims are subject separately to Rule 12(b)(6) motions because they are separate claims for relief.

2. There Were No Patent-Related Claims In *Christianson*; This Case Is Different.

Plaintiffs' complaint is not like the one that was at issue in *Christianson*. The claims to relief in *Christianson* did *not* depend on a substantial question of patent law. The *Christianson* plaintiff sought relief because of defendant's monopolistic conduct and organization of a group boycott. *See Christianson v. Colt Indus. Op. Corp.*, 822 F.2d 1544, 1556–58 (Fed. Cir. 1987) (Federal Circuit deciding merits of case despite finding that it lacked jurisdiction over the appeal), *rev'd on other grounds* 486 U.S. 800, 818 (1988) (this Court reversing because "[o]ur agreement with the Federal Circuit's conclusion that it lacked jurisdiction, compels us to disapprove of its decision to reach the merits anyway 'in the interest of justice.' "). No patent validity questions, nor any other substantial questions of

patent law, were necessary to the resolution of the *Christianson* plaintiff's affirmative claims for relief. *Christianson*, 822 F.2d at 1559, *rev'd on other grounds*, 486 U.S. 800. The "patent issues" in *Christianson* arose only as a response to an anticipated defense of trade secret validity. *Christianson*, 822 F.2d at 1559, *rev'd on other grounds*, 486 U.S. 800; *see also* A.J. Gajarsa & L.P. Cogswell, III, *The Federal Circuit and the Supreme Court*, 55 Am. U. L. Rev. 821, 824 (2006) (Federal Circuit Judge Gajarsa explained that "Christianson had brought an antitrust suit against Colt, and issues of patent law were implicated only by part of Colt's defense against those charges"). Because the "patent issues" in *Christianson* were related to a response to a defense, as opposed to an affirmative claim for relief, they could not serve as a basis for vesting appellate jurisdiction in the Federal Circuit. *Christianson*, 486 U.S. at 809 ("a case raising a federal patent-law defense does not, for that reason alone, 'arise under' patent law, 'even if the defense is anticipated in the plaintiff's complaint, and even if both parties admit that the defense is the only question truly at issue in the case' " (*quoting Franchise Tax*, 463 U.S. at 14)).[9]

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9. After *Christianson*, this Court held in *Holmes* that compulsory counterclaims which raise patent issues also do not vest appellate jurisdiction in the Federal Circuit because the Federal Circuit's appellate jurisdiction is determined only by looking to plaintiff's well-pleaded complaint. *Holmes*, 535 U.S. at 830–32.

B. Conflicting Circuit Court Case Law Also Shows That A Patent-Related Claim Gives The Federal Circuit Exclusive Appellate Jurisdiction.

Prior to the decision below, the circuit courts that had considered appellate jurisdiction questions in cases involving patent-related claims found that such cases belonged in the Federal Circuit.[10] Indeed, the Federal Circuit expressly stated that *Walker Process* claims are "subject to exclusive federal court jurisdiction under 28 U.S.C. § 1338(a) because the determination of fraud before the PTO necessarily involves a substantial question of patent law." *Ciprofloxacin*, 544 F.3d at 1329 (reaching this conclusion even though the complaint included other allegations of monopolization that did not rest entirely on patent law). The Seventh Circuit took a similar view in finding that a breach of contract case that turned on whether a product was within the scope of a patent should be heard by the Federal Circuit because the plaintiff there could not obtain the relief it sought without resolution of the patent issue. *U.S. Valves*, 190 F.3d at 813–15. These decisions of the Federal Circuit and Seventh Circuit also conflict with the Second Circuit's decision below.

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10. In at least one case, a regional circuit court decided a plaintiff's *Walker Process* claim without any express mention of whether it was proper for it to do so and with no indication that any party raised an appellate jurisdiction argument. *Kaiser Found. Health Plan Inc. v. Abbott Labs., Inc.*, 552 F.3d 1033, 1043–54 (9th Cir. 2009).

II. THE SECOND CIRCUIT'S DECISION ERODES THE FEDERAL CIRCUIT'S APPELLATE JURISDICTION IN CONTRAVENTION OF CONGRESS'S GOAL OF CREATING UNIFORMITY IN PATENT LAW.

The decision of the Second Circuit, if not reversed, will erode substantially the Federal Circuit's exclusive jurisdiction over patent-related antitrust claims. Under the decision below, if any one of a plaintiff's antitrust "theories" (actually claims) is not based exclusively on the patent laws, the entire case must go to the regional circuit. Pet. App. 15a–16a. This is inconsistent with Congress's intention of creating a national appellate court to harmonize the patent laws and curtail forum shopping in patent cases. *See, e.g.*, S. Rep. No. 97-275 (1981), *as reprinted in* 1982 U.S.C.C.A.N. 11, 15; H. Rep. No. 97-312, at 20 (1981). Congress explained that the "central purpose [of creating the Federal Circuit] is to reduce the widespread lack of uniformity and uncertainty of legal doctrine that exist in the administration of patent law." H. Rep. No. 97-312, at 23.

A. Congress Created The Federal Circuit To Harmonize The National Patent Laws And Eliminate Forum Shopping.

The regional circuits handled patent law issues in a divergent manner before Congress established the Federal Circuit. The House Report accompanying the act creating the Federal Circuit expressly notes that patent law had long "been identified as a problem area, characterized by undue forum-shopping and unsettling inconsistency in adjudications." *See, e.g.*, H. Rep. No.

97-312, at 20–21. Congress also found that "the validity of a patent [was] too dependent upon geography (*i.e.*, the accident of judicial venue) to make effective business planning possible." *Id.* at 21–22. Similarly, courts, including this Court, noted the rifts in patent law that marked that period. *See, e.g., Graham v. John Deere Co.*, 383 U.S. 1, 18 (1966) (observing "a notorious difference between the standards [of patentability] applied by the Patent Office and by the courts"); *Mfg. Res. Corp. v. Graybar Elec. Co., Inc.*, 679 F.2d 1355, 1361 n.12 (11th Cir. 1982) (noting that the circuit law regarding the burden of proof for patent invalidity was "in a morass of conflict"). Congress also established the Federal Circuit's exclusive jurisdiction to address the rampant forum shopping that had plagued patent cases. S. Rep. No. 97-275, 1982 U.S.C.C.A.N. at 15; H. Rep. No. 97-312, at 20–23.

The existence of the Federal Circuit has served to promote the uniformity that Congress envisioned for patent law, including by allowing this Court to focus on key patent law issues (as opposed to dealing with the circuit conflicts that existed previously).[11] *See, e.g.*, H.T. Markey, *The Federal Circuit and Congressional Intent*, 41 Am. U. L. Rev. 577, 577 (1992) (former Federal Circuit Chief Judge Markey reporting that "in its first three years . . . [the Federal Circuit] identified and resolved all of the thirteen conflicts in the previous patent law

11. This Court's caseload and correspondingly limited ability to address patent cases also were also part of the reason that Congress created the Federal Circuit as an "effective means of assuring even-handedness nationwide in the administration of the patent laws." H. Rep. No. 97-312, at 22.

decisions of the regional circuit courts"). The Federal Circuit has resolved, or aided in the resolution of important questions including, for example, determining that claim construction is a matter of law for the court to decide;[12] and determining that Federal Circuit law, and not the law of the regional circuit, applies to questions of attorney-client privilege between a patent attorney and a patentee.[13]

B. Vesting Jurisdiction For Patent-Related Antitrust Appeals In The Federal Circuit Serves Congress's Purpose Of Creating Uniformity In Patent Law.

Congress's intent in forming the Federal Circuit is best served by vesting jurisdiction for antitrust claims that turn on a substantial question of patent law in the Federal Circuit. While not every patent issue is to be heard by the Federal Circuit, having patent-related antitrust claims appealed to the Federal Circuit is well within the balance struck by Congress in setting the Federal Circuit's jurisdiction. Congress recognized as a potential concern that "specious patent claims" would be tied to "substantial antitrust claims in order to create jurisdiction in the . . . Federal Circuit." S. Rep. No. 97-275, 1982 U.S.C.C.A.N. at 29–30; H. Rep. No. 97-312, at 41. But Congress concluded that this concern was unfounded because the Federal Circuit would not have appellate jurisdiction unless one of a plaintiff's initial

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12. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 976 (Fed.Cir.1995) (*en banc*), *aff'd*, 517 U.S. 370 (1996).

13. *In re Spalding Sports Worldwide, Inc.*, 203 F.3d 800, 803–04 (Fed. Cir. 2000).

claims arose under 28 U.S.C. § 1338, and the Federal Circuit would strictly construe its jurisdiction. S. Rep. No. 97-275, 1982 U.S.C.C.A.N. at 29–30; H. Rep. No. 97-312, at 41. Specifically, Congress explained that the appellate courts would adapt the general "arising under" test for federal question jurisdiction to determine whether a plaintiff's claim "arises under" patent law. S. Rep. No. 97-275, 1982 U.S.C.C.A.N. at 29–30; H. Rep. No. 97-312, at 41. And Congress understood that cases raising "patent issues merely couched in antitrust terms" would be appealed to the Federal Circuit. S. Rep. No. 97-275, 1982 U.S.C.C.A.N. at 46.

III. THE SECOND CIRCUIT'S DECISION WILL ALLOW A CLEVER PLAINTIFF TO PLEAD ITS PATENT-RELATED ANTITRUST CLAIMS INTO THE REGIONAL CIRCUIT AND AVOID THE FEDERAL CIRCUIT.

The Second Circuit's decision below threatens the national uniformity of patent law, raises again the hazard of forum shopping in patent cases, and takes important patent law questions away from the Federal Circuit. The decision below will allow private litigants, rather than Congress or the courts, to determine which regional circuit has jurisdiction over the same patent-related antitrust claim by altering the style, but not the substance of their allegations.

This Court has cautioned against adopting rules that permit jurisdiction to be created through creative pleadings. *Fed. Dept. Stores, Inc. v. Moitie*, 452 U.S. 394, 397 n.2 (1981) (*citing* 14 Wright, Miller & Cooper, Federal Practice & Procedure § 3722, at 564–66 (1st ed.

1976) ("[Courts] will not permit plaintiff to use artful pleading to close off [a] defendant's right to a federal forum . . ."). *Christianson* itself states that it is the court's obligation to determine the "real nature" of the claim "regardless of plaintiff's characterization." 486 U.S. at 809 n.3 ("a plaintiff may not defeat § 1338(a) jurisdiction by omitting to plead necessary federal patent-law questions." (*citing Franchise Tax*, 463 U.S. at 22; *Moitie*, 452 U.S. at 397 n.2)). The real substance of a plaintiff's claims—the key that unlocks appellate jurisdiction—cannot change no matter how artfully the claims are styled in the complaint. *Christianson*, 486 U.S. at 809 n.3; *Moitie*, 452 U.S. at 397 n.2.

But the Second Circuit's decision below did not determine the "real nature" of Plaintiffs' claims; it allowed the style of Plaintiffs' complaint—a one-count monopolization complaint—to control the number of substantive claims it found. The Second Circuit's decision thus wrongly promotes form over substance by failing to consider the actual nature of Plaintiffs' well-pleaded claims as required by *Christianson*. As a result, uniformity in crucial areas of the patent law on important questions will be lost. Allowing private litigants to determine which circuit court hears a patent-related antitrust claim is neither what Congress intended in establishing the Federal Circuit's jurisdiction, nor a beneficial development for patent law or owners of intellectual property who rely on relative stability in patent law as they develop and protect their inventions.

CONCLUSION

IPO respectfully requests that the Court grant the petition for a writ of *certiorari*.

Respectfully submitted,

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APPENDIX

APPENDIX

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